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5 UNITED STATES DISTRICT COURT
6 WESTERN DISTRICT OF WASHINGTON
7 AT SEATTLE

8 BRUCE CORKER, *et al.*,

9 Plaintiffs,

10 v.

11 COSTCO WHOLESALE CORPORATION,
et al.,

12 Defendants.
13

NO. C19-0290RSL

ORDER DENYING BOYER'S
MOTION TO DISMISS

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15 This matter comes before the Court on “Defendant BBC Assets, LLC d/b/a Boyer’s
16 Coffee Company, Inc.’s Motion to Dismiss Pursuant to Rule 12(b)(6).” Dkt. # 100. The question
17 for the Court on a motion to dismiss is whether the facts alleged in the complaint sufficiently
18 state a “plausible” ground for relief. Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007).
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20 A claim is facially plausible when the plaintiff pleads factual content that allows
21 the court to draw the reasonable inference that the defendant is liable for the
22 misconduct alleged. Plausibility requires pleading facts, as opposed to conclusory
23 allegations or the formulaic recitation of elements of a cause of action, and must
24 rise above the mere conceivability or possibility of unlawful conduct that entitles
25 the pleader to relief. Factual allegations must be enough to raise a right to relief
26 above the speculative level. Where a complaint pleads facts that are merely
consistent with a defendant’s liability, it stops short of the line between possibility
and plausibility of entitlement to relief. Nor is it enough that the complaint is

factually neutral; rather, it must be factually suggestive.

Somers v. Apple, Inc., 729 F.3d 953, 959-60 (9th Cir. 2013) (internal quotation marks and citations omitted). All well-pleaded factual allegations are presumed to be true, with all reasonable inferences drawn in favor of the non-moving party. In re Fitness Holdings Int'l, Inc., 714 F.3d 1141, 1144-45 (9th Cir. 2013). If the complaint fails to state a cognizable legal theory or fails to provide sufficient facts to support a claim, dismissal is appropriate. Shroyer v. New Cingular Wireless Servs., Inc., 622 F.3d 1035, 1041 (9th Cir. 2010).

Having reviewed the First Amended Complaint and the memoranda and packaging photographs submitted by the parties, the Court finds as follows:

Plaintiffs are coffee farmers in the Kona District of the Big Island of Hawaii. They allege that defendant BBC Assets, LLC d/b/a Boyer's Coffee Company, Inc. ("Boyer's") is a Colorado corporation that sells coffee products throughout the United States. Plaintiffs allege that Boyer's falsely designates the geographic origin of its coffee products as "Kona," with the prominent placement of the word Kona on the front of its packaging despite the fact that the product contains little to no coffee from the Kona District. Dkt. # 81 at ¶ 10 and ¶ 93. As examples, plaintiffs allege that one of Boyer's coffee products is labeled "Café Kona" and another is labeled "Kona Blend." Id. at ¶¶ 93-94. Plaintiffs further allege that Boyer's deliberately and intentionally misleads consumers into believing its products contain an appreciable amount of Kona coffee beans in order to use the reputation and goodwill of the Kona name to justify higher prices for what is actually ordinary commodity coffee. Id. Plaintiffs complain that Boyer's use of the word Kona not only constitutes false designation of geographic origin, it damages the geographic designation itself and its value to the farmers of authentic Kona coffee from the

1 Kona District. Id. Plaintiffs have performed laboratory tests on packages of Boyer’s coffee
2 products, all of which are marked with the word Kona, and found that their ratios of various
3 metal (strontium to zinc, barium to nickel, cobalt to zinc, and manganese to nickel) are well
4 outside the range of that which is found in authentic Kona coffee. Id. at ¶¶ 95-97. Plaintiffs
5 expressly allege that “Boyer’s designation of Kona as the origin of the coffee in these products is
6 false.” Id. Plaintiffs assert that, even if there were some Kona coffee in Boyer’s products, it is
7 not the meaningful percentage that a consumer would expect based on the packaging. Id. at ¶ 98.

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9 Based on these allegations, plaintiffs assert claims of false designation of origin, false
10 advertising, and unfair competition under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).
11 Boyer’s argues that the claims against it (1) fail as a matter of law because plaintiffs have not
12 alleged that they, individually or as a group, have a protectable trademark in the word Kona,
13 (2) are implausible because a reasonable consumer would not be confused by Boyer’s
14 packaging, which clearly states that the product is manufactured, roasted, and packaged in
15 Colorado, and (3) do not raise a plausible claim under Section 43(a)(1)(B) because the use of the
16 word Kona is insufficient as a matter of law.¹

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18 To state a claim under Section 43(a)(1)(A) of the Lanham Act, plaintiffs must allege that
19 Boyer’s (1) used in commerce (2) a word, false designation of origin, and/or false or misleading
20 representation of fact (3) which is material and likely to cause confusion as to the origin of
21 Boyer’s coffee and (4) that such use has or is likely to damage plaintiffs. 15 U.S.C.
22 § 1125(a)(1)(A). See Freecycle Network, Inc. v. Oey, 505 F.3d 898, 902 (9th Cir. 2007).

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25 ¹ In addition, Boyer’s argues that the heightened pleading standard of Rule 9(b) applies to
26 plaintiffs’ Lanham Act claims because they are grounded in fraud. For purposes of this motion, the
27 Court has assumed that Rule 9(b) applies.

1 Boyer's first argument, that one or all of the plaintiffs must have a protectable trademark in the
2 word Kona in order to bring a Lanham Act claim, is incorrect in the context of this case. It is
3 undoubtedly true that, in order to allege infringement of a trademark under 15 U.S.C. § 1125(a),
4 a plaintiff must have a protectable interest in the mark. Plaintiffs, however, are using Section
5 43(a) to challenge what they consider unfair competition, namely the false designation of
6 geographic origin. The pre-Lanham Act tradition of allowing persons and businesses in a
7 specific locality or region to sue outsiders who falsely designate the origins of their products as
8 the same geographical area was carried forward into Section 43(a) when the Lanham Act was
9 enacted in 1946. See Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc., 633 F.2d 746, 750 (8th
10 Cir. 1980). The Supreme Court has expressly held that Section 43(a) of the Lanham Act goes
11 beyond trademark protection and makes actionable unfair competition claims such as that
12 brought by plaintiffs.

15 The Lanham Act was intended to make "actionable the deceptive and misleading
16 use of marks," and "to protect persons engaged in ... commerce against unfair
17 competition." 15 U.S.C. § 1127. While much of the Lanham Act addresses the
18 registration, use, and infringement of trademarks and related marks, § 43(a), 15
19 U.S.C. § 1125(a) is one of the few provisions that goes beyond trademark
20 protection. As originally enacted, § 43(a) created a federal remedy against a person
21 who used in commerce either "a false designation of origin, or any false
22 description or representation" in connection with "any goods or services." 60 Stat.
23 441. . . .

24 Although a case can be made that a proper reading of § 43(a), as originally
25 enacted, would treat the word "origin" as referring only "to the geographic
26 location in which the goods originated," Two Pesos, Inc. v. Taco Cabana, Inc., 505
27 U.S. 763, 777 (1992) (STEVENS, J., concurring in judgment), the Courts of
28 Appeals considering the issue, beginning with the Sixth Circuit, unanimously

1 concluded that it “does not merely refer to geographical origin, but also to origin
2 of source or manufacture,” Federal–Mogul–Bower Bearings, Inc. v. Azoff, 313
3 F.2d 405, 408 (6th Cir. 1963), thereby creating a federal cause of action for
4 traditional trademark infringement of unregistered marks. See 4 McCarthy § 27:14;
5 Two Pesos, supra, at 768. . . . The Trademark Law Revision Act of 1988 made
6 clear that § 43(a) covers origin of production as well as geographic origin.

7 Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 28-30 (2003) (internal
8 footnotes omitted). Section 43(a) provides a federal remedy for “a false designation of origin” - a
9 phrase that has always been construed as encompassing false statements regarding the
10 geographic origin of the product - without regard to the existence of a protectable trademark. See
11 also Belmora LLC v. Bayer Consumer Care AG, 819 F.3d 697, 706 (4th Cir. 2016)
12 (“Significantly, the plain language of § 43(a) does not require that a plaintiff possess or have
13 used a trademark in U.S. commerce as an element of the cause of action.”).

14 Boyer’s second argument fares no better. Plaintiffs allege that Boyer’s promotes its coffee
15 products by labeling them with the word Kona in order to trade on the reputation of coffees from
16 that geographical region, that the coffee contained in Boyer’s products is not, in fact, from the
17 Kona district, and that plaintiffs are injured by the false designation of origin, either by a
18 diversion of sales from plaintiffs or by a lessening of the goodwill associated with Kona coffee.
19 Boyer’s argues that the allegations are insufficient because plaintiffs have not alleged that
20 Boyer’s use of the word Kona is likely to cause confusion regarding the identity of the
21 manufacturer or seller of the coffee product because Boyer’s packaging dispels any such
22 confusion. Section 43(a)(1)(A) does not require a showing of confusion regarding the
23 manufacturer or producer of a good or service, however. While such a showing may give rise to
24 a Lanham Act claim, the statute also applies if Boyer’s use of a word “is likely to cause
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1 confusion . . . as to the origin . . . of his or her goods”² Thus, an allegation that the use of
2 the word Kona on Boyer’s coffee products is likely to cause confusion “as to the origin” of the
3 goods is sufficient, without regard to any confusion regarding the identity of the specific
4 manufacturer or producer.

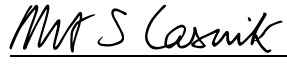
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6 Boyer’s provides evidence regarding other statements included on its packaging and
7 argues that it is implausible that any customer would be misled into thinking Boyer’s coffee
8 originated from the Kona district. The packaging declares Boyer’s to be “Colorado Proud,”
9 identifying itself as a Colorado company with a Colorado address. It also touts the benefits of
10 roasting coffee beans in Colorado and claims its coffee is “Rocky Mountain Slow Roasted” and
11 “Colorado Crafted.” None of these statements dispels the notion that the coffee roasted or
12 crafted in Colorado was grown in the Kona district, a notion that is arguably conveyed by the use
13 of the otherwise gratuitous word “Kona” in the name of the product.
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15 Finally, Boyer’s argues that the mere presence of a geographic reference on its packaging
16 cannot give rise to claim for false designation of geographic origin under Section 43(a)(1)(B). A
17 prima facie case under that section requires, among other things, a showing that the supplier
18 defendants made a false statement in advertising that misrepresents the geographic origin of their
19 products. PhotoMedex, Inc. v. Irwin, 601 F.3d 919, 923 (9th Cir. 2010). If, in the context of the
20 entire accused packaging or promotion, the inclusion of the word Kona is misleading as to the
21 geographic origin of the coffee, the claim may proceed. See Pernod Ricard USA, LLC v.
22 Bacardi USA, Inc., 653 F.3d 241, 252-53 (3rd Cir. 2011).
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26 ² As discussed in Dastar, 539 U.S. at 29-30, even when the term “origin” was construed
27 narrowly, it was understood to include the geographic origin of the good or service.

1 For all of the foregoing reasons, Boyer's motion to dismiss (Dkt. # 100) is DENIED.

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4 Dated this 12th day of November, 2019.

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7 Robert S. Lasnik
8 United States District Judge
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